

ORIGINAL



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MEMORANDUM

TO: Docket Control

FROM: Steven M. Olea
Director
Utilities Division

EA for SMD

DATE: December 21, 2012

RE: IN THE MATTER OF THE APPLICATION OF AMERICAN FIBER
SYSTEMS, INC. FOR APPROVAL TO CANCEL THEIR CERTIFICATE OF
CONVENIENCE AND NECESSITY (DOCKET NO. T-03980A-12-0460)

Attached is the Staff Report of the above application to cancel the Certificate of Convenience and Necessity ("CC&N") held by American Fiber Systems, Inc. The Utilities Division ("Staff") of the Arizona Corporation Commission ("Commission") recommends cancellation of American Fiber Systems, Inc.'s CC&N.

SMO:JFB:tdp/SH

Originator: John F. Bostwick

Arizona Corporation Commission
DOCKETED

DEC 21 2012

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SERVICE LIST FOR: AMERICAN FIBER SYSTEMS, INC.
DOCKET NO. T-03980A-12-0460

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**STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION**

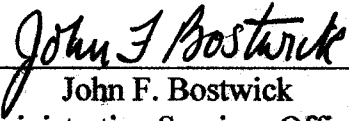
**AMERICAN FIBER SYSTEMS, INC.
DOCKET NO. T-03980A-12-0460**

**IN THE MATTER OF THE APPLICATION OF AMERICAN FIBER SYSTEMS, INC.
FOR APPROVAL TO CANCEL THEIR CERTIFICATE OF CONVENIENCE AND
NECESSITY**

DECEMBER 21, 2012

STAFF ACKNOWLEDGMENT

The Staff Report for American Fiber Systems, Inc., Docket No. T-03980A-12-0460, was the responsibility of the Staff member listed below. John F. Bostwick was responsible for the review and analysis of American Fiber Systems, Inc.'s application to cancel its Certificate of Convenience and Necessity.



John F. Bostwick
Administrative Services Officer II

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTION.....	1
BACKGROUND.....	1
STAFF'S ANALYSIS.....	1
RECOMMENDATIONS.....	2

INTRODUCTION

On November 8, 2012, American Fiber Systems, Inc. ("AFS") filed with the Commission an application to cancel its Certificate of Convenience and Necessity ("CC&N"). AFS is a Delaware corporation and wholly-owned indirect subsidiary of Zayo Group, LLC.¹ AFS requests that the Commission cancel its CC&N, withdraw its approved tariff(s) on file, and cancel its performance bond.

BACKGROUND

The Commission authorized AFS to provide competitive facilities-based and resold local exchange, interexchange and exchange access telecommunications services pursuant to Decision No. 63936 issued in Docket No. T-3980A-01-0025.

STAFF'S ANALYSIS

In its application to discontinue service, AFS stated that it does not need the CC&N because it does not provide, has never provided, and has no intention of providing telecommunications services in Arizona. AFS requests a waiver of the notice and publication requirements contained in Arizona Administrative Code ("A.A.C.") R14-2-1107 because AFS does not have customers in Arizona.

The Compliance Section of the Commission's Utilities Division indicates that AFS does not have any delinquencies in the Compliance Database.

The Consumer Services Section of the Commission's Utilities Division indicates that from January 1, 2009 through December 4, 2012, no complaints, inquiries, and/or opinions had been filed against AFS. The Consumer Services Section further states that AFS is in good standing with the Corporations Division of the Commission.

Staff recommends that AFS's request to cancel its CC&N should be approved. There are other carriers offering similar services that AFS is authorized to provide in Arizona. Therefore, Staff believes that the cancellation of AFS's CC&N is in the public interest.

¹ See Docket Nos. T-03980A-10-0313 and T-20694A-10-0313.

RECOMMENDATIONS

Staff recommends that the notice and publication requirements to discontinue service contained in A.A.C. R14-2-1107 be waived as requested by AFS. Staff also recommends approval of AFS's application to cancel its CC&N to provide facilities-based and resold local exchange, interexchange and exchange access telecommunications services in Arizona. Staff further recommends the cancellations of AFS's approved tariff and performance bond.

In addition, Staff recommends that the cancellation of AFS's CC&N not become effective until a decision is issued by the Commission authorizing such cancellation. Upon cancellation of its CC&N, AFS will not be authorized to provide facilities-based and resold local exchange, interexchange and exchange access telecommunications services in Arizona and therefore, will not be subject to the requirements of Decision No. 63936.